

INTRODUCTION

This report provides information about all SSI disabled and blind¹ recipients who work and receive wages. The report has been divided into three sections--all SSI disabled workers, section 1619 participants, and disabled workers who benefit from other work incentive provisions.

Since the beginning of the SSI program, a number of SSI disabled recipients have worked and received SSI payments. Initially, the program contained a basic earned income exclusion that recognized the additional costs associated with employment. In addition, the law contained a number of special income exclusions that were intended as work incentives. Among these provisions were income exclusions for blind work expenses (BWE), plans for achieving self-support (PASS), and student earned income (SEI).

The 1980 amendments to the Social Security Act established section 1619, and provided additional work incentive provisions to assist SSI recipients in entering the workforce. These included income exclusions for impairment-related work expenses (IRWE), a change in the treatment of sheltered workshop earnings, and the continuation of SSI payments for some individuals whose disability ceased due to medical recovery. This provision was extended to SSI blind recipients in the 1988 amendments.²

Congress enacted these provisions because it concluded that additional incentives were required to help SSI disabled recipients to become self-supporting. They believed that individuals who could work outside of sheltered workshops, might have been discouraged from doing so by the fear of losing their benefits before they had established for themselves the capability for continued self-support.

Section 1619(a) provides special SSI cash benefits to disabled individuals who lose eligibility for SSI payments because they have earnings at the level that is ordinarily considered to represent substantial gainful activity (SGA). Section 1619(b) provides special SSI recipient status for Medicaid purposes to working disabled or blind individuals when their earnings make them ineligible for cash payments.

Under P.L. 99-643, which made section 1619 permanent, disabled individuals on the SSI rolls retain disability status until they medically improve. The distinction between a disabled person eligible for regular SSI benefits and a disabled person eligible for 1619(a) benefits is that the latter has several months with gross earnings above the SGA level (\$500).

¹ Unless specifically excluded and/or listed separately, all references to SSI disabled recipients and workers in this report include persons whose eligibility is based on blindness.

² For a full description of these provisions, see the Appendix.

Under previous law, 1619(a) status did not begin until after the completion of a trial work period and a determination was made that subsequent work was SGA. A number of the cases were defined as 1619(a) cases after June 1987 as a result of this change in the definition rather than from any change in their work activity.

Beginning January 1990, a number of recipients went from 1619(a) status to regular eligibility status as a result of the increase in the SGA level from \$300 to \$500.

Under section 1619(b), cash payments are not made. However, recipient status for Medicaid purposes continues until earnings reach a plateau that takes into account the person's ability to afford medical care as well as his or her normal living expenses.

The data in this report are based on the SSI caseload at the end of March 1997. The number of recipients with a PASS represents only those recipients with income excluded under a PASS. Data for recipients who have only resources excluded under a PASS are not currently available.